

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Sargent Oil & Gas Company) CASE NO. 8845

ORDER DIRECTING FILING OF TARIFF

Sargent Oil & Gas Company ("Sargent") produces natural gas from various wells in Kentucky. This gas is sold for ultimate consumption within the Commonwealth of Kentucky.

KRS 278.010(3) states as follows:

"Utility" means any person except a city, who owns, controls or operates or manages any facility used or to be used for or in connection with:

. . .

(b) The production, manufacture, storage, distribution, sale or furnishing of natural or manufactured gas, or a mixture of same, to or for the public, for compensation, for light, heat, power or other uses; (Emphasis supplied.)

Under this definition, Sargent, as the operator of facilities used for the production of natural gas for sale to the public, is a utility subject to the regulation of this Commission. KRS 278.040(2) provides that "[t]he commission shall have exclusive jurisdiction over the regulation of rates and service of utilities...."

Accordingly, the rates Sargent charges its customers are clearly subject to the jurisdiction of the Kentucky Public Service Commission.

The rates Sargent is currently charging for the gas it produces are those set by contract between it and its purchasers.

Based upon the above considerations and being advised, the Commission HEREBY ORDERS that Sargent Oil & Gas Company shall, within 30 days from the date of this Order, file a tariff with this Commission setting forth the rates it now charges for natural gas produced from its wells. The Commission will review the rates contained therein to determine if said rates are fair, just and reasonable as required by KRS 278.030(1).

Done at Frankfort, Kentucky, this 20th day of May, 1983.

PUBLIC SERVICE COMMISSION

Katherine Randall
For the Commission

ATTEST:

Secretary

**END
OF
RETAKE**